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Operations Support

FOREIGN MILITARY SALES RESOURCES

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This instruction implements AFMCPD 16-1, *Foreign Military Sales Resources*. It explains the steps that an AFMC activity must take before determining that new, unanticipated Foreign Military Sales (FMS) work cannot be accepted. Users of this instruction should familiarize themselves with AFMAN 16-101, *International Affairs and Security Assistance Management*; DoDMAN 5105.38-M, *Security Assistance Management Manual (SAMM)*; DoDR 7000.14-R, Volume 15, *DoD Financial Management Regulation (Security Assistance Policy and Procedures)*; and Title 22 U.S.C. Section 2761, et al (*Arms Export Control Act, as amended*).

1. When requests to support new, unanticipated FMS workload are received, AFMC activities will determine the FMS resources (administrative and/or case funded manpower, travel, contractor support, equipment, etc.) required to perform the work. A determination as to availability of FMS resources should be made as early as possible (e.g., upon receipt of a request for Price & Availability (P&A) data or Letter of Offer and Acceptance (LOA) data).
2. AFMC activities will determine if the workload can be accepted by employing one or both of the following alternatives:
 - 2.1. Reassignment of existing nonprogram-specific FMS resources from declining, canceled, or completed FMS workload.
 - 2.2. Reprioritization of existing FMS workload activities within available FMS resources.
3. If the above alternatives do not result in adequate resources being available to perform the new, unanticipated workload, AFMC activities should initiate, through normal processing channels, a request for additional FMS resources (i.e., funding and authorizations for manpower and/or funding for other resources).
4. If it is determined that FMS resources are not and will not be available, the AFMC activity should not accept the workload, and should send a statement to that effect to the tasking organization (e.g., SAF/IA), through the appropriate reporting chain, with information to AFSAC/IP.

5. AFMC activities will include a statement in P&A and LOA data packages going to SAF/IA, through the appropriate reporting chain, that acceptance of the new, unanticipated workload is contingent upon receiving appropriate FMS resources.

6. When multiple AFMC activities are supporting a single effort, each activity should work resource issues through the activity primarily responsible for that effort. For example, if a Security Assistance Program Manager (SAPM) has been identified to be responsible for a particular weapon system sale, including development of P&A and LOA data and subsequent program execution, line management activities which cannot support the sale due to lack of resources should notify the SAPM. It will then become the SAPM's responsibility to resolve the resource issue through normal processing channels or to reject the work back to SAF/IA, through the appropriate reporting chain, with information to AFSAC/IP.

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Attachment 1

GLOSSARY OF TERMS

Terms

Administrative Funds—Funds allocated to DoD components by the Defense Security Assistance Agency from the FMS administrative surcharge trust fund.

Administrative Surcharge—A charge required by Title 22 U.S.C. Section 2761 (Arms Export Control Act, as amended) to be included in letters of offer for sale of defense articles or services to eligible foreign countries or international organizations, to recover DoD costs related to administration of such sales.

Case Funds—FMS funds whose sources are lines on LOAs/cases and which are used to recover DoD costs related to FMS workload. An example is program management lines used to recover costs when some system or program management effort must be undertaken to successfully deliver the item.

FMS Case—An LOA which has been accepted by an eligible foreign country or international organization and becomes a contractual sales agreement between the US government and the foreign country or international organization. Each LOA is assigned a unique case identifier for the purposes of identification, accounting, and data processing for each accepted offer.

Foreign Military Sales (FMS)—That portion of US security assistance authorized by the Arms Export Control Act, as amended, and conducted on the basis of formal contracts or agreements between the US government and an eligible foreign country or international organization. FMS includes government-to-government sale of defense articles or defense services, from DoD stocks or through purchase under DoD-managed contracts.

Letter of Offer and Acceptance (LOA)—The document by which the US government offers to sell to an eligible foreign country or international organization defense articles and defense services pursuant to the Arms Export Control Act, as amended. The LOA lists the items and/or services, estimated costs, and the terms and conditions of sale, and provides for the foreign customer's signature to indicate acceptance.

LOA Data—Data developed for completion of an LOA which is sufficiently accurate and complete that it can be used for budgetary purposes.

Price and Availability (P&A) Data—Data prepared by DoD components in response to a foreign country or international organization request for preliminary data for the possible purchase of a defense article or service. P&A estimates reflect rough order magnitude data, provided for planning purposes, showing projected availabilities and estimated costs for defense articles or services. P&A data are not normally valid for use in preparation of an LOA. Furnishing of this data does not constitute a commitment for the US government to offer for sale the articles and services for which the data are provided. (To avoid confusion, the term P&A should not be used in reference to data developed for completion of an LOA; this should be referred to as LOA data.)

Security Assistance Program Manager (SAPM)—An individual, appointed by the Single Manager, who becomes responsible for development of P&A and/or LOA data and for program execution (e.g., cost, schedule, and performance) of a particular weapon system sale and/or weapon system specific sustainment for an FMS customer.

Single Manager—That individual (i.e., System Program Director, Materiel Group Manager, or Product Group Manager) who is ultimately responsible and accountable for decisions and resources in overall

program execution (e.g., cost, schedule, and performance) of a military system, materiel group, or product group.